

THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

STAFF REPORT

Of the

ACCOUNTING DEPARTMENT

And

UTILITIES DEPARTMENT

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SOUTH CAROLINA ELECTRIC & GAS COMPANY

REPORT OF ACCOUNTING DEPARTMENT
THE PUBLIC SERVICE COMMISSION OF SOUTH CAROLINA

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REPORT OF ACCOUNTING DEPARTMENT

DOCKET NO. 98-002-E

SOUTH CAROLINA ELECTRIC & GAS COMPANY

INTRODUCTION

The Accounting Department Staff has made an examination of the books and records of South Carolina Electric & Gas Company, Columbia, South Carolina, relative to the Commission's requirement under Docket No. 98-002-E, that periodic hearings be conducted before the Commission concerning the Adjustment of Base Rates for Fuel Costs.

CURRENT REVIEW PERIOD

The current examination of South Carolina Electric & Gas Company's retail Fuel Adjustment Clause covered the period of March 1997 through April 1998.

However, since the current hearing is scheduled for April 1998, Staff's audit work did not include any testing for the months of March and April 1998. The amounts of (over)/under-recovery for March 1998 and April 1998 were estimated for the purpose of adjusting base rates effective May 1, 1998. The estimates will be trued-up at South Carolina Electric & Gas Company's next hearing.

SCOPE OF EXAMINATION

The Commission's Accounting Department's examination consisted of the following:

1. Analysis of Account #151 – Fuel Stock
2. Sample of Receipts to the Fuel Stock Account – Account # 151
3. Verification of Charges to Nuclear Fuel Expense – Account # 518
4. Verification of Purchased Power & Interchange
5. Verification of KWH Sales
6. Analysis of Spot Coal Purchasing Procedures
7. Review of the CSX Transportation Settlement Agreement
8. Recomputation of Fuel Costs Adjustment Factor, Verification of Unbilled Revenue
9. Recomputation of True-up for (Over)Under-Recovered Fuel Costs
10. Details of Fuel Costs

ANALYSIS OF ACCOUNT # 151 – FUEL STOCK

Staff's analysis of the Fuel Stock Account consisted of tracing receipts to and issues from the fuel management system to the General Ledger, reviewing monthly journal entries originating in fuel accounting, and ensuring that only proper charges are entered in the Company's computation of fuel costs for purposes of adjusting base rates for fuel costs.

SAMPLE OF RECEIPTS TO THE FUEL STOCK ACCOUNT –

ACCOUNT # 151

Staff's sample of receipts to the Fuel Stock Account consisted of randomly selecting transactions, tracing each of these transactions to a waybill and a purchase order for documentation purposes, and recalculating the transactions to insure mathematical correctness.

VERIFICATION OF CHARGES TO NUCLEAR FUEL EXPENSE –

ACCOUNT # 518

The Staff traced the expense amounts for nuclear fuel to the books and records for the period March 1997 through February 1998.

VERIFICATION OF PURCHASED POWER AND INTERCHANGE

Staff verified the Company's Purchased and Interchange Power Fuel Costs to summary sheets provided to the Company's Accounting Department by the Company's Operations Department. Fuel costs and KWH purchases and sales for the months of March 1997 through February 1998 were also traced to monthly invoices.

VERIFICATION OF KWH SALES

The Staff verified total system sales as filed in the monthly factor computation for the months of March 1997 through February 1998. This monthly figure was then used to determine the fuel cost per KWH sold.

ANALYSIS OF SPOT COAL PURCHASING PROCEDURES

The Accounting Staff examined the procedure followed by the Company's fuel supply section for obtaining and accepting bids on spot coal. To achieve

this, Staff chose to examine two months of the audit period in which several spot coal bids were received. Staff examined spot coal bids received in the months of March and April 1997.

The fossil fuel supply section maintains a list of coal vendors from whom bids are solicited. South Carolina Electric & Gas mails each of these coal vendors a letter which states the necessary requirements for the coal the Company seeks, and the information needed concerning the coal producer and the fuel representatives' quality standards. The fuel representatives bargain over the price of the coal, and either accept or reject the coal vendor's offer. The Company's fuel representatives determine the current market price for spot coal prior to contacting the coal vendors about their bids. In this way, the fuel representatives determine the limits which should be observed when bargaining for coal. The fuel representatives consider at least three factors when accepting spot coal bids: the price per ton (including freight), the BTU content of the coal offered, and the past experience with the coal obtained from the producer. The Company normally requires all bids to be made in writing, but telephone bids are often received. However, South Carolina Electric & Gas Company requests that all telephone bids be confirmed by a subsequent letter.

Upon acceptance of a bid, South Carolina Electric & Gas Company prepares a confirming order, a copy of which is mailed to the coal vendor. When the coal is received at the plant, the Company analyzes the coal for moisture, ash, sulfur, and BTU content and prepares an analysis report which is sent to the fuel supply section. The appropriate quality premium or penalty on the coal

purchased is determined, and the results are forwarded to the Company's Accounting Section, which in turn, adds a premium or assesses a penalty to the total amount due to the coal vendor.

The fuel supply section closely monitors the quality of coal shipped by the various producers. If less than guaranteed performance is rendered by a certain producer, the fuel representative accesses this information and considers this when analyzing any future offers received from the supplier.

As previously mentioned, Staff examined spot coal bids received in the months of March and April 1997. The examination included reviewing any bids accepted and following the bargaining procedure on each bid.

During March 1997, out of approximately thirty bids, the Company accepted seven offers. During April 1997, out of six bids, the Company accepted three offers.

The total spot coal tons purchased for the period March 1997 through February 1998 were approximately 849,500 tons.

REVIEW OF THE CSX TRANSPORTATION SETTLEMENT AGREEMENT

PSC Order No. 98-209, Docket No. 98-115-E, dated March 19, 1998, granted South Carolina Electric & Gas Company's (SCE&G or the Company) request for a Commission accounting order which would give SCE&G authorization to defer and to amortize a one-time payment incurred by the Company as the result of a Settlement Agreement, dated January 28, 1998, between SCE&G and CSX Transportation, Inc. CSX Transportation is one of the railroads that delivers coal to the Company's steam production facilities. The

agreement calls for the Company to make a one-time payment to the railroad. In return, the Company has received reductions in coal freight rates, decreased minimum tonnage requirements and certain other favorable financial and operating concessions that provide savings substantially in excess of the one-time payment, according to SCE&G. By agreement of the parties and Order of the U.S. District Court, the specific terms of the agreement are confidential.

The Company proposed that it be allowed to defer the one-time payment by charging Account No. 182.3 – Other Regulatory Assets. The balance in Account No. 182.3 would be amortized monthly to Account No. 501 – Fuel Expense in an amount equal to the savings realized through deliveries of coal at the reduced freight rates. It is expected that this balance would be written off in approximately three years, after which time the reductions in freight rates would serve to reduce ongoing fuel costs. Meanwhile, according to the Company, the savings derived from other provisions of the agreement, such as those resulting from decreased minimum tonnage requirements, will be immediately reflected in lower fuel costs and, thereby, provide benefits to customers currently.

During this audit review period of the Company's fuel adjustment clause, March 1997 through February 1998, Staff reviewed the freight savings, and thereby, the amortized amounts, by comparing the original CSX Transportation contract freight rates to the revised Settlement Agreement freight rates. Staff applied the difference between the rates to the applicable railroad coal tonnage deliveries. Since the agreement has only been in effect as of the end of January 1998, there was only one month's amortization, February 1998, in this fuel review

period. The amortized amount (freight savings) initially booked in February 1998 to Account No. 501 totaled \$482,493.04. However, after the Company reviewed the coal deliveries that should be associated with the "old" freight rates rather than the Settlement rates, the Company revised its February 1998 amortization amount to \$460,743.31. The Company will book an adjusting entry in March 1998 of \$(21,749.73) to reflect the February revision.

RECOMPUTATION OF FUEL COSTS ADJUSTMENT FACTOR AND VERIFICATION OF UNBILLED REVENUE

The Accounting Staff has recomputed the fuel adjustment factor utilizing information obtained from the Company's records.

With reference to fuel cost, Staff verified the Total Fuel Costs for the months of March 1997 through February 1998, to the Company's books and records.

In recomputing the factor, Staff has divided the Total Cost of Fuel Burned by Total System Sales to arrive at fuel costs per KWH sales. The base fuel cost per KWH, included in the base rates, is then subtracted from the fuel cost per KWH sales and the resulting figure represents the fuel cost adjustment above or below base per KWH sales. The South Carolina Retail Jurisdictional KWH deferrals were checked to the Company's records. The actual Unbilled Revenue for each month was verified to the Company's Detailed Ledger.

RECOMPUTATION OF TRUE-UP FOR (OVER) UNDER-RECOVERED FUEL COSTS

Staff analyzed the cumulative over-recovery of fuel costs that the Company had incurred for the period March 1997 through February 1998, which totaled \$596,797. Staff added the projected over-recovery of \$194,040 for the month of March 1998 and the projected over-recovery of \$847,360 for April 1998 to arrive at a cumulative over-recovery of \$1,638,197. The Company's cumulative over-recovery as of April 1998, per its testimony in Docket No. 98-002-E, totals \$2,609,904. The difference between the Company's and the Staff's cumulative over-recovery totals \$971,707. This difference is based on various corrections Staff reflected in various Company fuel costs, such as Fossil Fuel Burned Costs (for April 1997 through February 1998), Nuclear Fuel Costs (for March 1997, June 1997 and January 1998), and Purchased and Interchange Power Fuel Costs (for the month of August 1997), per Staff's report. Staff's Exhibit H, Computation of Unbilled Revenue, which consists of two pages, provides detailed explanations for this cumulative over-recovery difference of \$971,707. It should be noted that the Company will true-up this difference, on a per books basis, by the next fuel review period.

As stated in South Carolina Electric & Gas Company's Adjustment for Fuel Costs, fuel costs will be included in base rates to the extent determined reasonable and proper by the Commission.

Accordingly, the Commission should consider the over-recovery of \$1,638,197 along with the anticipated fuel costs for the period May 1, 1998

through April 30, 1999, for the purpose of determining the base cost of fuel in base rates effective May 1, 1998. This \$1,638,197 over-recovery figure was provided to the Commission's Utilities Department.

DETAILS OF FUEL COSTS

Details of fuel costs are shown in Exhibits A-H.

RESULTS OF EXAMINATION

Based on the Accounting Staff's examination of South Carolina Electric & Gas Company's books and records, and the utilization of the fuel costs recovery mechanism as directed by this Commission, the Accounting Department is of the opinion that the Company has complied with the directives of the Commission.

EXHIBITS

Exhibits relative to this report are identified as follows:

EXHIBIT A: FOSSIL FUEL STOCK REPORT

This exhibit reflects the beginning inventory, receipts, issues and ending inventory by type of fuel for March 1997 through February 1998.

EXHIBIT B: RECEIVED COAL-COST PER TON (PER PLANT)

This exhibit shows the received cost per ton for coal at each plant for the period of time from March 1997 through February 1998, in dollars per ton including freight costs.

EXHIBIT C: TOTAL RECEIVED AND WEIGHTED AVERAGE COST

This exhibit reflects the total cost for the period March 1997 through February 1998, for the five types of fossil fuel: coal, # 2 oil, # 6 oil, propane and

natural gas. The Staff has also computed the weighted average cost of each type of fuel.

EXHIBIT D: RECEIVED COAL – COST PER TON COMPARISON

This exhibit reflects the received cost per ton for coal at each period of time from March 1997 through February 1998 for South Carolina Electric & Gas Company, Duke Power Company, and Carolina Power & Light Company. The Staff has shown for comparison purposes, the invoice cost per ton, freight cost per ton, total cost per ton and the cost per MBTU.

EXHIBIT E: BURNED COST-CONSUMED GENERATION

This exhibit reflects the per book cost of burned fuel, as adjusted by Staff, which was used for generation for the period March 1997 through February 1998. The burned cost of each class of fuel is separated and the percentage of total burned computed for each type.

EXHIBIT F: COST OF FUEL

The cost of fuel for the period March 1997 through February 1998 is shown in this exhibit.

EXHIBIT G: FACTOR COMPUTATION

This exhibit reflects the actual computation of the fuel adjustment factor for the period March 1997 through February 1998.

EXHIBIT H: COMPUTATION OF UNBILLED REVENUE

This exhibit reflects the computation of the unbilled revenue at April 30, 1998. The balance amounts to an over-recovery of \$1,638,197. This balance

represents the difference between actual (with two months estimated) total fuel costs and unbilled fuel costs for the Company's retail customers for the period.

Accounting Exhibit A
Page 1 of 3

South Carolina Electric & Gas Company
Fossil Fuel Stock Report
March 1997-February 1998

Month	Description	Beginning Inventory	Receipts	Issues	Ending Inventory	Number of Days Supply
Mar-97	Coal-Tons	903,852	383,343	355,709	931,486	69
	#2 Oil-Gal	2,593,829	288,482	212,726	2,669,585	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	6,134	6,134	0	
	Propane - Gal	715	670	525	860	
Apr-97	Coal-Tons	931,486	449,954	363,420	1,018,020	65
	#2 Oil-Gal	2,669,585	517,517	319,674	2,867,428	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	12,735	12,735	0	
	Propane - Gal	860	0	360	500	
May-97	Coal-Tons	1,018,020	399,986	384,101	1,033,905	59
	#2 Oil-Gal	2,867,428	342,003	615,812	2,593,619	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	15,943	15,943	0	
	Propane - Gal	500	705	400	805	
Jun-97	Coal-Tons	1,033,905	452,961	454,367	1,032,499	56
	#2 Oil-Gal	2,593,619	617,767	583,409	2,627,977	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	242,690	242,690	0	
	Propane - Gal	805	530	485	850	
Jul-97	Coal-Tons	1,032,499	488,537	612,259	908,777	52
	#2 Oil-Gal	2,627,977	934,785	592,701	2,970,061	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	391,620	391,620	0	
	Propane - Gal	850	440	415	875	

Accounting Exhibit A
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South Carolina Electric & Gas Company
Fossil Fuel Stock Report
March 1997-February 1998

Month	Description	Beginning Inventory	Receipts	Issues	Ending Inventory	Number of Days Supply
Aug-97	Coal-Tons	908,777	446,924	580,638	775,063	46
	#2 Oil-Gal	2,970,061	223,253	272,128	2,921,186	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	139,710	139,710	0	
	Propane - Gal	875	0	355	520	
Sep-97	Coal-Tons	775,063	504,618	497,971	781,710	47
	#2 Oil-Gal	2,921,186	116,775	176,538	2,861,423	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	64,343	64,343	0	
	Propane - Gal	520	1,060	755	825	
Oct-97	Coal-Tons	781,710	484,944	579,958	686,696	40
	#2 Oil-Gal	2,861,423	243,129	131,741	2,972,811	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	21,754	21,754	0	
	Propane - Gal	825	516	596	745	
Nov-97	Coal-Tons	686,696	447,088	486,481	647,303	37
	#2 Oil-Gal	2,972,811	7,153	171,648	2,808,316	
	#6 Oil-Tons	10,000	0	0	10,000	
	Gas-MCF	0	21,083	21,083	0	
	Propane - Gal	745	0	110	635	
Dec-97	Coal-Tons	647,303	455,573	468,429	634,447	57
	#2 Oil-Gal	2,808,316	369,948	273,736	2,904,528	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	10,672	10,672	0	
	Propane - Gal	635	541	416	760	

Accounting Exhibit A
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South Carolina Electric & Gas Company
Fossil Fuel Stock Report
March 1997-February 1998

Month	Description	Beginning Inventory	Receipts	Issues	Ending Inventory	Number of Days Supply
Jan-98	Coal-Tons	634,447	516,892	502,583	648,756	41
	#2 Oil-Gal	2,904,528	43,318	284,220	2,663,626	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	3,805	3,805	0	
	Propane - Gal	760	415	620	555	
Feb-98	Coal-Tons	648,756	450,266	378,642	720,380	46
	#2 Oil-Gal	2,663,626	109,952	69,789	2,703,789	
	#6 Oil-Gal	10,000	0	0	10,000	
	Gas-MCF	0	9,146	9,146	0	
	Propane - Gal	555	540	650	445	

Accounting Exhibit B

South Carolina Electric & Gas Company
Received Coal-Cost Per Ton (Per Plant)
March 1997-February 1998

Plant	Mar-97	Apr-97	May-97	Jun-97	Jul-97	Aug-97	Sep-97	Oct-97	Nov-97	Dec-97	Jan-98	Feb-98
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Canadys	41.07	40.23	38.70	39.34	39.31	37.90	38.66	38.85	38.45	44.09	39.28	38.10
Cope	39.42	38.67	38.00	37.74	35.98	40.02	38.32	37.98	37.94	38.60	40.50	39.09
McMeekin	39.59	39.58	39.82	39.92	38.72	39.32	38.31	40.12	38.76	40.39	38.21	37.83
SRS/D Area	37.97	46.91	38.08	40.34	46.72	37.71	34.21	66.70	42.00	39.05	43.28	39.75
Urquhart	40.43	41.16	41.35	39.88	39.13	41.04	37.62	38.81	39.04	44.68	42.62	47.74
Wateree	36.78	36.43	37.38	38.02	37.53	38.18	37.48	37.79	38.18	37.75	38.41	37.00
Williams	41.71	41.18	41.19	40.80	41.73	41.10	41.79	42.15	41.20	41.89	41.53	38.83
Total System	40.00	39.61	39.12	39.26	38.94	39.53	38.89	39.70	39.43	40.18	40.09	38.58

Accounting Exhibit C

South Carolina Electric & Gas Company
Total Received and Weighted Average Cost
March 1997-February 1998

Month	Coal		#2 Oil		Propane		MCF	Gas		Total Received Cost \$
	Tons	\$	Gal	\$	Gal	\$		\$	\$	
Mar-97	383,343	15,332,971	288,482	177,302	670	474	6,134	19,029	15,529,776	
Apr-97	449,954	17,821,579	517,517	322,025	0	0	12,735	49,397	18,193,001	
May-97	399,986	15,648,599	342,003	221,235	705	475	15,943	46,757	15,917,066	
Jun-97	452,961	17,781,500	617,767	369,851	530	355	242,690	785,808	18,937,514	
Jul-97	488,537	19,025,721	934,785	555,024	440	297	391,620	1,193,403	20,774,445	
Aug-97	446,924	17,666,261	223,253	140,580	0	0	139,710	432,276	18,239,117	
Sep-97	504,618	19,623,910	116,775	70,424	1,060	769	64,343	206,158	19,901,261	
Oct-97	484,944	19,252,205	243,129	160,551	516	384	21,754	88,582	19,501,722	
Nov-97	447,088	17,630,821	7,153	(3,313)	0	0	21,083	95,339	17,722,847	
Dec-97	455,573	18,303,238	369,948	216,699	541	379	10,672	47,966	18,568,282	
Jan-98	516,892	20,722,630	43,318	24,581	415	273	3,805	15,664	20,763,148	
Feb-98	450,266	17,371,133	109,952	57,784	540	347	9,146	32,881	17,462,145	
Total	5,481,086	216,180,568	3,814,082	2,312,743	5,417	3,753	939,635	3,013,260	221,510,324	
Weighted Average	39.44		0.61		0.69			3.21		

Note: # 6 Oil had zero (-0-) dollars and gallons for received costs during this fuel review period.

**South Carolina Electric & Gas Company
Received Coal-Cost Per Ton Comparison
March 1997-February 1998**

<u>South Carolina Electric & Gas Company</u>				
	<u>Invoice Cost</u>	<u>Freight Cost</u>	<u>Total Cost Per</u>	
<u>Month</u>	<u>Per Ton</u>	<u>Per Ton</u>	<u>Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Mar-97	14.55	25.45	40.00	1.5718
Apr-97	14.47	25.14	39.61	1.5433
May-97	13.75	25.37	39.12	1.5169
Jun-97	14.12	25.14	39.26	1.5317
Jul-97	14.52	24.42	38.94	1.5135
Aug-97	14.39	25.14	39.53	1.5384
Sep-97	13.28	25.61	38.89	1.5080
Oct-97	13.64	26.06	39.70	1.5396
Nov-97	13.99	25.44	39.43	1.5375
Dec-97	13.98	26.20	40.18	1.5714
Jan-98	14.23	25.86	40.09	1.5775
Feb-98	13.05	25.53	38.58	1.5177

<u>Duke Power Company</u>				
	<u>Invoice Cost</u>	<u>Freight Cost</u>	<u>Total Cost Per</u>	
<u>Month</u>	<u>Per Ton</u>	<u>Per Ton</u>	<u>Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Mar-97	27.02	7.71	34.73	1.3966
Apr-97	26.24	7.46	33.70	1.3529
May-97	26.62	7.59	34.21	1.3742
Jun-97	26.14	7.86	34.00	1.3742
Jul-97	26.37	8.40	34.77	1.3944
Aug-97	26.38	8.33	34.71	1.3923
Sep-97	26.70	8.30	35.00	1.4036
Oct-97	25.79	7.76	33.55	1.3534
Nov-97	25.65	8.78	34.43	1.3898
Dec-97	25.04	8.67	33.71	1.3654
Jan-98	25.80	7.96	33.76	1.3651
Feb-98	25.90	8.25	34.15	1.3729

<u>Carolina Power & Light Company</u>				
	<u>Invoice Cost</u>	<u>Freight Cost</u>	<u>Total Cost Per</u>	
<u>Month</u>	<u>Per Ton</u>	<u>Per Ton</u>	<u>Ton</u>	<u>Cost Per MBTU</u>
	\$	\$	\$	\$
Mar-97	26.52	12.05	38.57	1.6017
Apr-97	35.95	10.18	46.13	1.8830
May-97	31.87	9.95	41.82	1.7135
Jun-97	32.28	9.83	42.11	1.7175
Jul-97	31.81	10.48	42.29	1.7237
Aug-97	30.26	10.18	40.44	1.6338
Sep-97	31.81	9.91	41.72	1.7157
Oct-97	29.49	10.07	39.56	1.6024
Nov-97	30.08	10.03	40.11	1.6290
Dec-97	30.10	10.60	40.70	1.6445
Jan-98	29.23	10.51	39.74	1.6201
Feb-98	25.42	9.48	34.90	1.4214

Accounting Exhibit E

South Carolina Electric & Gas Company
Burned Cost-Consumed Generation
March 1997-February 1998

Month	Coal		#2 Oil		Propane		Gas		Nuclear		Total Burned Cost	
	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
Mar-97	8,249,771	73.46%	136,018	1.21%	(242)	0	19,105	0.17%	2,825,161	25.16%	11,229,813	
Apr-97	9,815,265	83.43%	151,022	1.28%	119	0	48,958	0.42%	1,748,837	14.87%	11,764,201	
May-97	9,124,861	76.73%	397,380	3.34%	128	0	46,365	0.39%	2,323,506	19.54%	11,892,240	
Jun-97	12,093,685	78.23%	332,418	2.15%	149	0	785,674	5.08%	2,246,789	14.54%	15,458,715	
Jul-97	17,561,674	81.98%	332,652	1.55%	127	0	1,193,263	5.57%	2,334,249	10.90%	21,421,965	
Aug-97	17,052,499	85.34%	160,518	0.80%	158	0	432,368	2.17%	2,335,684	11.69%	19,981,227	
Sep-97	13,574,721	84.27%	95,055	0.59%	363	0	206,027	1.28%	2,232,194	13.86%	16,108,360	
Oct-97	15,486,395	97.64%	66,347	0.42%	273	0	85,504	0.54%	221,877	1.40%	15,860,396	
Nov-97	12,783,919	89.03%	88,688	0.62%	42	0	87,624	0.61%	1,398,693	9.74%	14,358,966	
Dec-97	11,992,374	83.62%	152,746	1.07%	147	0	40,523	0.28%	2,156,254	15.03%	14,342,044	
Jan-98	13,970,980	87.34%	150,868	0.94%	230	0	9,261	0.06%	1,865,216	11.66%	15,996,555	
Feb-98	9,982,196	82.80%	21,574	0.18%	252	0	28,708	0.24%	2,023,143	16.78%	12,055,873	
Totals	151,688,340	84.05%	2,085,286	1.16%	1,746	0	2,983,380	1.65%	23,711,603	13.14%	180,470,355	

Note: # 6 Oil has zero (\$-0-) dollars in Burned Costs - Consumed Generation for this fuel review period.

Accounting Exhibit F

South Carolina Electric & Gas Company
Cost of Fuel
March 1997-February 1998

<u>Month</u>	<u>Total Cost of Fuel Burned</u> \$	<u>Purchased and Interchange Power Fuel Cost</u> \$	<u>Fuel Cost Recovered Intersystem Sales</u> \$	<u>Total Fuel Cost</u> \$
Mar-97	11,229,813	5,791,364	(1,016,219)	16,004,958
Apr-97	11,764,201	6,275,517	(928,417)	17,111,301
May-97	11,892,240	6,355,219	(774,682)	17,472,777
Jun-97	15,458,715	6,359,350	(1,401,387)	20,416,678
Jul-97	21,421,965	7,341,659	(3,164,981)	25,598,643
Aug-97	19,981,227	6,520,314	(2,063,890)	24,437,651
Sep-97	16,108,360	5,381,909	(1,277,688)	20,212,581
Oct-97	15,860,396	7,039,518	(1,223,938)	21,675,976
Nov-97	14,358,966	6,020,870	(1,834,664)	18,545,172
Dec-97	14,342,044	6,400,871	(1,369,271)	19,373,644
Jan-98	15,996,555	5,586,458	(1,631,227)	19,951,786
Feb-98	12,055,873	5,408,779	(393,509)	17,071,143
Totals	180,470,355	74,481,828	(17,079,873)	237,872,310

ACCOUNTING EXHIBIT G

SOUTH CAROLINA ELECTRIC & GAS COMPANY
FACTOR COMPUTATION
MARCH 1997 - FEBRUARY 1998

MONTH	TOTAL FUEL COSTS	TOTAL SYSTEM		BASE COST		FUEL ADJUSTMENTS	
		SALES EXCLUDING INTERSYSTEM SALES	FUEL COST PER KWH SALES	PER KWH INCLUDED IN RATES	PER KWH	PER KWH	PER KWH
	\$	KWH	\$/KWH	\$/KWH	\$/KWH	\$/KWH	\$/KWH
MARCH 1997	16,004,958	1,258,493,058	.012718	.013100	(.00038)		
APRIL 1997	17,111,301	1,327,666,351	.012888	.013100	(.00021)		
MAY 1997	17,472,777	1,302,738,583	.013412	.012850	.00056		
JUNE 1997	20,416,678	1,467,050,233	.013917	.012850	.00107		
JULY 1997	25,598,643	1,766,641,311	.014490	.012850	.00164		
AUGUST 1997	24,437,651	1,789,487,492	.013656	.012850	.00081		
SEPTEMBER 1997	20,212,581	1,712,618,624	.011802	.012850	(.00105)		
OCTOBER 1997	21,675,976	1,497,967,427	.014470	.012850	.00162		
NOVEMBER 1997	18,545,172	1,344,833,065	.013790	.012850	.00094		
DECEMBER 1997	19,373,644	1,533,164,423	.012636	.012850	(.00021)		
JANUARY 1998	19,951,786	1,550,137,473	.012871	.012850	.00002		
FEBRUARY 1998	17,071,143	1,548,330,962	.011026	.012850	(.00182)		

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
MARCH 1997 - APRIL 1998

	A C T U A L					
	March 1997	April 1997	May 1997	June 1997	July 1997	August 1997
Fossil Fuel Burned (2)	8,404,652	10,015,364	9,568,734	13,211,926	19,087,716	17,645,543
Nuclear	2,825,161(2)	1,748,837	2,323,506	2,246,789(2)	2,334,249	2,335,684
Purchase & Interchange Power	5,791,364	6,275,517	6,355,219	6,359,350	7,341,659	6,520,314(2)
Subtotal	17,021,177	18,039,718	18,247,459	21,818,065	28,763,624	26,501,541
Less: Intersystem Sales	1,016,219	928,417	774,682	1,401,387	3,164,981	2,063,890
Total Fuel Costs	16,004,958	17,111,301	17,472,777	20,416,678	25,598,643	24,437,651
Total System KWH Sales						
Excluding Intersystem Sales	1,258,493,058	1,327,666,351	1,302,738,583	1,467,050,233	1,766,641,311	1,789,487,492
\$/KWH Sales	.012718	.012888	.013412	.013917	.014490	.013656
Less: Base	.013100	.013100	.012850	.012850	.012850	.012850
Fuel Adjustment Per KWH	(.00038)	(.00021)	.00056	.00107	.00164	.00081
Unbilled Revenue KWH Sales	1,168,371,604	1,237,435,483	1,206,568,832	1,356,221,814	1,646,861,085	1,668,172,899
Deferred Fuel Entry	(443,981)	(259,861)	675,679	1,448,596(3)	2,700,524	1,351,220
February 1997 -	(4,914,169)(1)					
Cumulative (Over)/Under-Recovery	(5,358,150)	(5,618,011)	(4,942,332)	(3,493,736)	(793,212)	558,008

Note:

(1) Staff's cumulative over-recovery balance brought forward from February 1997 of \$4,914,169 differs from the Company's beginning cumulative over-recovery balance (from February 1997) of \$4,897,627 by \$16,542. This cumulative difference is based on Staff's corrections to Fossil Fuel Burned Costs and Purchased Power Costs for several months, as reflected in the last fuel review period. It should be noted that the Company, in its testimony, reflects this cumulative correction of \$16,542 in May 1997.

(2) Staff's Fossil Fuel Burned Costs figures for April 1997 through February 1998 differs from the Company's figures. Staff's figures, per Staff's report, reflect corrections for miscalculations made to fossil fuel costs. Staff's Nuclear Fuel Costs figures for March 1997, June 1997 and January 1998 differs from the Company's figures. Staff's figures reflect corrections for revised (updated monthly information) nuclear fuel costs. Also, Staff's Purchased Power figure for August 1997 differs from the Company's figure. Staff's figure reflects a correction to a purchase power rate used in the computation for several purchased power costs. As a result of Staff's corrections, the difference between the Company's and the Staff's cumulative over-recovery balances as of actual February 1998 and as of estimated April 1998 is \$971,707. It should be noted that the Company will true-up this difference, on a per books basis, by the next fuel review period.

(3) The under-recovery for June 1997 consists of June 1997's under-recovery amount, as computed by Staff, of \$1,451,157 and a Company adjustment of \$2,561, which was a true-up adjustment to the deferred fuel account.

South Carolina Electric & Gas Company
Computation of Unbilled Revenue
MARCH 1997 - APRIL 1998

	A C T U A L				E S T I M A T E D	
	September 1997	October 1997	November 1997	December 1997	January 1998	February 1998
Fossil Fuel Burned	13,876,166	15,638,519	12,960,273	12,185,790	14,131,339	10,032,730
Nuclear	2,232,194	221,877	1,398,693	2,156,254	1,865,216(2)	2,023,143
Purchase & Interchange Power	5,381,909	7,039,518	6,020,870	6,400,871	5,586,458	5,408,779
Subtotal	21,490,269	22,899,914	20,379,836	20,742,915	21,583,013	17,464,652
Less: Intersystem Sales	1,277,688	1,223,938	1,834,664	1,369,271	1,631,227	393,509
Total Fuel Costs	20,212,581	21,675,976	18,545,172	19,373,644	19,951,786	17,071,143
Total System KWH Sales	1,712,618,624	1,497,967,427	1,344,833,065	1,533,164,423	1,550,137,473	1,548,330,962
Excluding Intersystem Sales						
\$/KWH Sales	.011802	.014470	.013790	.012636	.012871	.011026
Less: Base	.012850	.012850	.012850	.012850	.012850	.012850
Fuel Adjustment Per KWH	(.00105)	.00162	.00094	(.00021)	.00002	(.00182)
Unbilled Revenue KWH Sales	1,606,763,154	1,401,908,505	1,241,663,009	1,417,003,072	1,443,815,998	1,449,046,126
Deferred Fuel Entry	(1,687,101)	2,271,092	1,167,163	(297,571)	28,876	(2,637,264)
August 1997 (p.1 of 2)	558,008					(194,040)
Cumulative (Over)/Under-Recovery	(1,129,093)	1,141,999	2,309,162	2,011,591	2,040,467	(596,797)
						(790,837)
						(1,638,197)

(Explanation for Note (2) is on Page 1 of 2.)